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September 19, 2005

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Mr. John F. Carter, Director
FDIC San Francisco Regional Office
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 94105

Dear Mr. Carter,

I am writing to you regarding the Wal-Mart application for FDIC insurance. I am the branch manager of the Shell Lake State Bank office in Spooner, Wisconsin. Shell Lake and Spooner are small towns located in Northwestern Wisconsin.

The application by Wal-Mart causes me concern for a couple of important reasons. History has shown us that mixing banking and commerce creates its own problems. Our country struggled through that in the first half of the 20th century and Japan is dealing with this even today. Allowing Wal-Mart to have this franchise paves the way for other businesses and industries to want to get involved in banking. The problems with human nature have not been solved to eliminate the potential for history to repeat itself.

Another concern arises. If Wal-Mart is allowed a banking franchise will they be as responsive to the needs of local business communities as a community bank? Will they be willing to help a small business start or grow if they feel there is even the slightest risk of someone competing with them for even a small part of their target markets? What would be the future of community banking if a branch showed up in every Wal-Mart store? What would be the future of our communities if a Wal-Mart bank were the main bank or only bank in a community? I personally feel that our communities will suffer in the long run without a strong community banking structure in place. Ask anyone who lives in a small community what happens when a large banking organization buys up or makes an entry into a smaller community. Credit to small business is often either reduced or eliminated.

Wal-Mart does many things very well. They have brought down prices on many low and moderate quality items. They have also hurt main streets in many communities they have entered. Many a storefront sits vacant in communities across the country where a hardware store, an electronics store, food store or clothing store once operated. The people that owned these stores no longer generate the incomes and profits for themselves or their employees to circulate in their communities. With a Wal-Mart in a community the profits leave town and most of the jobs that are left with a Wal-Mart store are low paying with little or no benefit packages for the employees.

My last concern involves the issue of FDIC insurance on a Wal-Mart bank. I have already alluded to my concern of mixing commerce and banking. If Wal-Mart were to be able to establish a network of banks in their stores and problems were to develop with

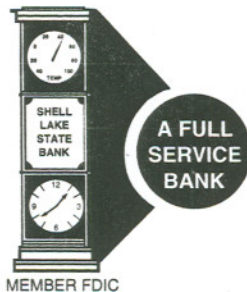
the bank, would we have a bank that the FDIC would deem as being "too big to fail"? We already have banks in that category right now, which bothers me as a community banker. Would we have one more "too big" with a Wal-Mart bank? Would you expect our bank (and ultimately our customers) to bear the burden of higher FDIC premiums if this or another large bank to fail? Would you ask all of us as taxpayers to shoulder the additional burden of paying for the bailout of a "too big to fail" bank?

As taxpayers, my children and I are still paying for the savings and loan bailout and will be doing this for a good many more years. My children and I will be paying for wars in the Middle East for a good many years. It looks like my children and I will be paying for reconstruction along the gulf coast for a good many years also. I do not look forward to having to pay for more surprises that we can just as easily avoid by taking action today. It is also not fair to put burdens such as these on my children and their children.

I hope the FDIC takes the position that mixing banking and commerce is as bad an idea in the 21st century as it was in the 20th century. All we have to do to reach that conclusion is to read our history books.



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September 16, 2005

25 Jessie Street at Ecker Square
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To Whom It May Concern:

Re: WAL-MART BANKING

The intention of this letter is to voice my concern over the possible intrusion of Wal-Mart into the banking community. The threat that Wal-Mart poses on the livelihood of all our communities is astounding and could possibly destroy the fabric that makes up this country.

The segregation of credit and commerce has to be distinct and mixing the two could be a horrific and devastating experience to community bankers in the U.S. The many resources that Wal-Mart has with money, labor, and abilities, are driving out all local hardware, grocery, and general stores.

Please understand the concern I have for the possibility of Wal-Mart branching into Banking. I believe this to be unethical and should not be allowed. Thank you very much for taking the time to read this letter and understand how concerned and worried I would become if Wal-Mart pushed further into community banking.

Sincerely,

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